

House Engrossed

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE CONCURRENT MEMORIAL 2007

A CONCURRENT MEMORIAL

URGING THE UNITED STATES CONGRESS TO REPEAL THE FEDERAL EXCISE TAX ON
TELECOMMUNICATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 To the Congress of the United States of America:

2 Your memorialist respectfully represents:

3 Whereas, the first federal excise tax on communications was enacted in
4 1898 for the purpose of funding the Spanish-American War; and

5 Whereas, the tax was introduced as a "temporary" luxury tax; and

6 Whereas, the federal excise tax on communications was repealed in 1902
7 and was not reenacted until World War I required additional revenues; and

8 Whereas, the World War I federal excise tax on communications was
9 repealed in 1924 and was reenacted in 1932; and

10 Whereas, all of the initial federal excise taxes on telecommunications
11 applied only to toll, long distance service; and

12 Whereas, in 1941, with the advent of World War II, the federal excise
13 tax on communications was extended to general service; and

14 Whereas, a federal excise tax on telephone service has been in effect
15 in every year since 1941, despite enactment of periodic legislation to repeal
16 or phaseout the tax; and

17 Whereas, telephone service is no longer a luxury, but rather a
18 necessity for consumers of all income levels; and

19 Whereas, the federal excise tax is regressive, as low-income Americans
20 pay a higher percentage of their income for telephone services than
21 high-income Americans; and

22 Whereas, telecommunications services are the infrastructure on which
23 new technologies including the Internet depend, and therefore the
24 telecommunications excise tax discourages expansion of both the telephone
25 infrastructure and new technologies; and

26 Whereas, the federal excise tax on telecommunications flows into the
27 general fund, rather than being earmarked for a specific purpose; and

28 Whereas, in 2000, both houses of Congress passed a repeal of the
29 federal excise tax on telecommunications, which was vetoed by President
30 William Jefferson Clinton.

31 Wherefore your memorialist, the House of Representatives of the State of
32 Arizona, the Senate concurring, prays:

33 1. That the Congress of the United States repeal the federal excise
34 tax on telecommunications.

35 2. That the Secretary of State of the State of Arizona transmit copies
36 of this Memorial to the President of the United States Senate, the Speaker of
37 the United States House of Representatives and each Member of Congress from
38 the State of Arizona.

PASSED BY THE HOUSE MARCH 16, 2006.

PASSED BY THE SENATE APRIL 24, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 25, 2006.